



## **Request for City Council Committee Action From the Office of the City Coordinator**

Date October 22, 2002

To Ways & Means/ Budget Committee

Submitted by Kim W. Havey, Director, Minneapolis Empowerment Zone, 673-5415

Approved by John Moir, City Coordinator

**Subject** Approval of \$300,000 in federal Empowerment Zone funds to American Indian Business Development Corporation for a loan to Franklin Bakery.

**Presenters in Committee** Kim W. Havey

### **Recommendation**

- (1) Authorize \$300,000 for American Indian Business Development Corporation (AIBDC) to be used for Franklin Bakery, payable from 0300-840-8460; and
- (2) Authorize the proper city officers to execute a contract with AIBDC, setting forth the terms and conditions of the agreement.

### **Financial Impact**

☒ No financial impact or Action is within current budget.

- ☐ Action requires an appropriation increase to the Capital Budget
- ☐ Action requires an appropriation increase to the Operating Budget
- ☐ Action provides increased revenue for appropriation increase
- ☐ Action requires use of contingency or reserves
- ☐ Other financial impact (Explain):

☐ Request provided to the Budget Office when provided to the Committee Coordinator

### **Background/Supporting Information**

American Indian Business Development Corporation (AIBDC) will construct and equip a new 16,000 square foot building at 1004 -1020 East Franklin Avenue to be leased to Franklin Bakery, an expanding business. Project outcomes will result in the retention of 40 jobs and the creation of 96 new jobs. In addition to employment, the bakery will provide a retail outlet for neighborhood residents to purchase fresh bakery products. AIBDC has requested a grant of \$300,000 and a loan guarantee of \$500,000 from the Empowerment Zone for construction.

On October 17, 2002 the EZ Executive Committee approved \$300,000 in federal Empowerment Zone funds for a loan to AIBDC for Franklin Bakery. As with previous funding, the use of federal EZ funds awarded to Minneapolis are recommended for approval by the EZ Executive Committee or Governance Board and presented to the City Council for final approval.